# GOVERNMENT OF INDIA
# COMMERCE AND INDUSTRY
# LOK SABHA

UNSTARRED QUESTION NO:1045
ANSWERED ON:24.11.2000
EXPORT PROCESSING ZONES SPECIAL ECONOMIC ZONES
SHANKERSINH VAGHELA;SHIVAJI VITHALRAO KAMBLE

**Will the Minister of COMMERCE AND INDUSTRY be pleased to state:**

(a) whether the Government are planning to convert Export Processing Zones into Special Economic Zones;

(b) if so, the details thereof;

(c) the number and locations of Export Processing Zones and special Economic Zones established in the country as on March 31, 2000;

(d) whether the Government intend to set up more EPZs and SEZs other than the existing one;

(e) if so, the details thereof and if not, the reasons therefor;

(f) whether the working of existing EPZs and SEZs have been reviewed during the last three years;
(g) if so, the outcome thereof, EPZ/SEZ-wise alongwith the reasons for tardy performance; and
(h) the action plan formulated for restructuring / re-orienting the working of EPZs and establishment of new EPZs and SEZs during 2000-2001 alongwith other other policy initiatives proposed to boost up exports?.

## Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI OMAR ABDULLAH)

(a) to (h) : A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) to (h) OF LOK SABHA UNSTIRRED QUESTION NO.1045 ANSWER ON 24.11.2000 REGARDING EXPORT PROCESSING ZONES/SPECIAL ECONOMIC ZONES.

(a) and (b) : Four Export Processing Zones (EPZs) at Santa Cruz (Maharashtra), Cochin (Kerala), Kandla and Surat (Gujarat) have been converted into Special Economic Zones on 1.11.2000.

(c) : As on 31.3.2000, there were seven EPZs in the country set up by the Government at Kandla (Gujarat), Santa Cruz (Maharashtra), Noida (Uttar Pradesh), Madras (Tamil Nadu), Cochin (Kerala), Falta (West Bengal) and Visakhapatnam (Andhra Pradesh).

In addition, a private EPZ has been set up at Surat. No SEZ was established as on 31.3.2000.

(d) and (e) : It was decided in 1992 not to set up any new EPZ under Government of India.Similarly, there is no proposal to set up any new SEZ by the Central Government.However, EPZs/SEZs may be set upin the public, private, joint sector or by the State Governments.

(f) to (h) : The working of the EPZ scheme is being reviewed from time to time to improve the efficacy in the light of the experience gained. Some of the measures introduced in the Export and Import Policy during the last three years to improve the performance of EPZs include rationalisation and reduction of minimum Net Foreign Exchange earning as Percentage of export (NFEP) and export performance requirement, stipulation of positive NFEP for capital intensive units, liberalisation of subcontracting, facility to sell upto 50% of FOB value of exports in the domestic market, and further deregulation of activities of units.

Exports from EPZs have been encouraging and the export figures for the last three years are given below:-

| Year | Exports (Rs. Crores) | Percentage increase Over last year |
|---|---|---|
| 1997-98 | 4817.30 | 11 |
| 1998-99 | 5252.48 | 9 |
| 1999-2000 | 6707.92 | 28 |